

Information Item

Governmental Relations Committee

Federal Update, October 2000

Staff will provide a brief update on some of the major issues affecting education occurring at the national level, while the attachment to the item contains a listing of federal legislation that may be of interest to the Commission. This report was prepared in mid-September and, therefore, staff will provide an oral update regarding Congressional end-of-session activities at the Commission's October 16 meeting.

Presenter: Karl M. Engelbach.



Federal Update, October 2000

THE 106TH CONGRESS returned to work after Labor Day following a month-long recess in August. With a target adjournment date of October 6th, Congress has less than a month to finalize legislation introduced this year. Even during a typical legislative session, that would be a very short timeframe; add to that schedule a presidential and congressional election year, and it is uncertain what matters will be concluded by the end of this legislative session.

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FY 2000-2001 appropriations

The House/Senate conference committee met for several days before the August recess to negotiate a compromise funding bill for Labor, Health and Human Services (HHS), and Education programs, and reached a tentative agreement (which is outlined in Appendix A of this report). Negotiations with the Administration took place in September. Other than the funding level for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), most concerns of the Administration focused on K-12 issues.

The Labor, HHS, and Education conference bill would provide an increase of \$40.7 billion in education funding, or \$617 million more than the President's budget request. However, the distribution of those dollars among programs would not fund fully some of the Administration's highest priority K-12 initiatives, including class-size reduction, teacher-quality incentives, school modernization, Title I accountability, and the GEAR UP program. President Clinton has stated repeatedly that he will not sign a bill that does not support his specific education goals.

Higher education programs fared well in the conference. The bill provides the following increases in funding:

- ◆ A \$350-increase in the maximum Pell Grant, bringing it to \$3,650;
- ◆ \$25 million for Leveraging Educational Assistance Partnerships (LEAP);
- ◆ \$115 million for the TRIO outreach and student support program for disadvantaged students;

- ♦ \$77 million for Federal Work Study; and
- ♦ \$60 million for Supplemental Educational Opportunity Grants (SEOG).

The Perkins Loan Program is the only campus-based student financial aid program that did not receive additional funding. Funding for this program remains at last year's level of \$100 million.

It is not known whether legislation will be passed this year to make technical corrections to the 1998 reauthorization of the Higher Education Act. The House has passed its technical corrections bill, HR 4504 (McKeon), but the Senate has not yet acted. (See Appendix A for additional information on HR 4504). If a technical corrections bill does not pass, some items from that bill will likely be added to the Labor, HHS, and Education appropriations bill.

With work complete on only two of 13 appropriations bills, and with Congress set to adjourn on October 6, it is likely that negotiations on the education appropriations bill will continue through the end of September (funding for the current fiscal year ends September 30). Education appropriations may also be lumped with other unfinished appropriations bills and become part of a large omnibus spending bill.

**New commission
created
to examine
advancement
to college**

The U.S. Department of Education has appointed a new commission to study ways of assisting students to make a successful transition from high school to college, vocational training, or a career. The commission met for the first time on September 11, 2000 and is planning to study options for getting students to consider and better plan their educational future.

The committee's first step is to examine the current relationship between elementary and secondary schools and colleges and universities, and to discuss ways of creating a fluid system between the three education levels. Second, the commission will study elementary and secondary education structure, as well as educational goals of students who do not plan to continue their education after high school. Lastly, the panel will investigate internships, community service, graduation projects and exit assessments.

**Round two of
GEAR UP grants
announced**

On September 12, President Clinton announced \$45.6 million in new grants to help more than 710,000 disadvantaged middle-school students pursue college education through the U.S. Department of Education's GEAR UP program. GEAR UP is designed to show students that the key to college is preparation and that, together with financial aid, college can be affordable. Arizona, Hawaii, Kentucky, Missouri, North Carolina, Virginia, and West Virginia received \$12.1 million in state grants. Another \$33.5 million will support 73 partnerships in some 33 states and Puerto Rico.

Through the GEAR UP program, middle schools form partnerships with community and business organizations and local colleges, to provide students and their families with support services to prepare for college. GEAR UP offers academic preparation and advanced course work to each class of participating students from the sixth or seventh grades through high school. California institutions fared well again in the second round of competition. (California was awarded a state GEAR UP grant during the first competition.) In this latest round of awards, 11 new local partnership grants went to the following California schools and universities:

California State University, Fresno Foundation	\$240,000
Foundation for California State University at San Bernardino	\$778,780
Los Angeles Unified School District, Irving Middle School	\$1,027,715
Riverside Community College	\$899,471
San Jose State University Foundation	\$1,139,152
Sonoma State University	\$316,148
University of California, Davis	\$151,013
University of California, Los Angeles	\$373,678
University of California, Santa Cruz	\$500,902
University of California, San Diego	\$248,532
West Contra Costa Unified School District	\$333,641

Again this year, the Department of Education received far more GEAR UP grant applications than could be funded. Only one-third of the state grant applicants could be funded in this competition (7 of 21), and less than 28 percent of partnership applicants (73 of 262) received an award. President Clinton has requested \$325 million in funding for the GEAR UP Program in FY 2001; current year funding is set at \$200 million.

**President
announces a new
on-line job bank
for teachers**

During his weekly radio address on August 26, President Clinton announced the launch of a new online clearinghouse that informs teachers about job opportunities and connects school districts with qualified candidates for available positions.

At the website (<http://www.recruitingteachers.org>), teachers and school districts can access online job banks and job listings across the country, compare school districts and job offerings on a national basis, find out how to prepare to become a teacher; learn about new incentives districts are offering to new teachers, discover proven strategies for finding and keeping teachers, and explore strategies for recruiting new teachers.

The National Teacher Recruitment Clearinghouse was developed with a U.S. Department of Education grant.

**First year report
on class size
reduction
program**

A recent report from the U.S. Department of Education indicates that, after the initial implementation year, the Class Size Reduction (CSR) program is making progress. (The report does not evaluate the effectiveness of California's state-funded class-size reduction program.)

According to the Department's report, the FY 1999 appropriations of \$1.2 billion for CSR allowed school districts nationwide to hire an estimated 29,000 new teachers for the 1999-2000 school year. (For FY 2000, Congress appropriated \$1.3 billion; the President has requested \$1.75 billion in appropriations for FY 2001, but appropriators want to roll the program into a block grant under Title VI).

The report says in 90,000 classrooms, mostly in high-needs areas, the average class size for grades 1-3 has been reduced from 23 to 18 with CSR funds, and some 1.7 million children in grades K-3 now receive instruction in smaller, more personalized classes.

Districts receiving CSR funds reported that without the program, 49 percent of the classes would have 23 or more students, 32 percent of classes would have had 25 or more students, and 17 percent of classes would have had 27 or more students per class.

As mandated by law, every dollar provided for the Class Size Reduction program goes to local districts. At the district level, 87 percent of the funds were used to hire teachers, 8 percent was used for professional development, 3 percent was used for teacher recruitment, and 2 percent was used for administration.

The 16-page report also includes vignettes about the CSR program has directly helped a number of classrooms and features reports on a number of state efforts to reduce class size. It also contains brief information about the research that shows class size reduction is effective; a description of how the program works; and estimated allocation estimates for FY 2001, by state, based on the President's request of \$1.75 billion for the program (find online at http://www.ed.gov/PDFDocs/csr_report.pdf.)

**Reauthorization
of the Elementary
and Secondary
Education Act
(ESEA) still
stalled**

Efforts to reauthorize the Elementary and Secondary Education Act (ESEA), the law governing federal K-12 categorical programs including the Eisenhower Professional Development State Grant Program administered by the Commission, remain stalled.

There are several reasons the ESEA reauthorization has not completed during this legislative session, including a heavy and short Congressional calendar, a veto threat from the President, and the fact that neither chamber has completed its work on the legislation.

If Congress does not complete its work on ESEA this fall, the current law will be extended for another year. However, in light of this fall's elections, it could be an additional year before the newly elected administration forwards to Congress its proposal for ESEA, and the entire process

would begin again. For FY 2001, the appropriations conference committee recommended funding the Eisenhower program at \$435 million; a \$100 million (30 percent) increase over the current-year funding level of \$335 million.

**The Web-based
Education
Commission**

The federal Web-based Education Commission -- established by Congress to develop specific policy recommendations geared toward maximizing the educational promise of the Internet for pre-K, elementary, middle, secondary, and postsecondary education learners -- has been holding a series of hearings and taking e-testimony. Appointed last year by President Clinton, Education Secretary Richard Riley, and the Democratic and Republican leadership of Congress, the Web-based Commission has since met with hundreds of education, business, policy, and technology experts.

Chaired by Senator Bob Kerrey of Nebraska, the 16-member bipartisan committee includes other congressional members, including vice chair Representative Johnny Isakson of Georgia, Representative Chaka Fattah of Pennsylvania, Senator Mike Enzi of Wyoming, and Senator Jeff Bingaman of New Mexico. They have been joined by educators, business leaders and other experts from both the public and private sectors in the fields of education and technology, including California Postsecondary Education Commissioner Alan Arkatov.

The overarching goal of the Web-based Commission is to establish a "policy roadmap" that will help education and policy officials at the local, state, and national levels better address the critical "digital age" challenges brought about by the Internet and other emerging technologies.

During this year, the Commission held a series of public hearings and is soliciting online testimony from a wide range of education experts and policy leaders. At the time of this writing, the Commission was scheduled to release a report containing its preliminary findings and recommendations in the nation's capital during the first week of October. The report is expected to address access and equity issues related to educational uses of the Internet, affordability, content quality, instruction and teaching strategies, professional development, assessment and accreditation, privacy protection, and the potential of new learning institutions. The report is also expected to provide specific policy guidance aimed at local, state, and federal policymakers.

Following a period of public comments on the preliminary findings, the Commission is expected to release its final report in late fall. The Web-based Education Commission will devote a couple of months to promoting its report before it is scheduled to disband in February 2001.

**New house
commission
on privacy**

The House Government Reform Subcommittee recently passed legislation (H.R. 4049) that calls for the establishment of a 17-member commission to conduct a comprehensive study on privacy. The measure calls for an 18-month study of the following issues:

- ◆ Identity theft;
- ◆ Protection of medical, financial and government records;
- ◆ Online privacy;
- ◆ Workplace privacy;
- ◆ Fraud abuse on the elderly; and
- ◆ The effectiveness of having independent third parties examine truth in privacy statements.

The bill included an amendment that authorized \$5 million for the commission. The amendment also mandates the commission to hold ten hearings, and grants the commission subpoena power. A separate amendment, added clarifying language to permit Congress to pass stronger privacy legislation during the Commission's study.

Commission staff will continue to monitor activities concerning identity theft and its implications relating to allowable uses of Social Security Numbers (SSNs) as any limitations on the use of SSNs could have a significant negative impact on the Commission's future abilities to conduct longitudinal studies of students' educational progress.

Appendix A

Federal Legislation

This appendix outlines federal legislation that may be of interest to the Commission.

HR 4577/S. 2553, Fiscal 2001 Education Appropriations

Dollars (except for Pell Grant maximum) in Millions

Program	FY 2000 Funding	FY 2001 Administration Request	Passed by House	Passed by Senate	Conference Agreement	Difference, conference vs. FY 2000
Pell Grant Maximum Award	\$3,300	\$3,500	\$3,500	\$3,650	\$3,650	\$350
Leveraging Educational Assistance Partnerships (LEAP) Program	\$40	\$40	\$0	\$70	\$65	25
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	\$200	\$325	\$200	\$225	\$200	No Change
TRIO	\$645	\$725	\$760	\$736.5	\$760	\$115
Federal Work Study	\$934	\$1,011	\$1,011	\$1,011	\$1,011	\$77
Perkins Loans – FCC	\$100	\$100	\$100	\$100	\$100	No Change
Title III-A Strengthening Institutions	\$60	\$63	\$73	\$65	\$73	\$13
Title V – Strengthening Hispanic-Serving Institutions	\$42.3	\$62.5	\$68.5	\$62.5	\$68.5	\$26.2
VTEA State Grants	\$1, 055.7	\$855.7	\$1,100.0	\$1,071.0	\$1,100.0	\$44.3
Tech Prep	\$106	\$306	\$106	\$106	\$106	No Change
Voc. Rehab. State Grants	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339	No Change
Adult Ed. State Grants	\$470	\$555.5	\$490.5	\$490.5	\$490	\$20
Learning Anytime Anywhere Partnerships (LAAP)	\$23.3	\$30	\$10	\$30	\$30	\$6.7
Child Care Access Means Parents in School (CAMPUS)	\$5	\$15	\$15	\$10	\$15	\$10

Last Action: The conference committee reached an agreement on the bill on July 27, 2000.

Next Action: Congress will file the conference report when they return in September. Although the President agrees with some of the provisions in the bill, such as higher funding for

the Pell Grant program, he is still threatening to veto the bill when he receives it. Congress may choose to negotiate directly with the Administration rather than taking the bill back to the floor, since it is likely they will not be able to override the veto.

S. 92/HR 853, Biennial Budget (Domenici, R-NM)

The Senate plans to debate a bill that will allow Congress to pass a budget every two years instead of making annual appropriations.

Last Action: 5/16/00, failed passage in the House.

Next Action: S. 92 is expected to reach the Senate floor in September.

S. 761/HR 1714, Digital Signature Legislation (Abraham, R- MI, Bliley, R-VA)

This bill would permit electronic signatures in commercial transactions between two private parties. A House provision would require businesses to get permission from consumers to use electronic documents as opposed to written documents.

Last Action: The President on June 30, 2000 signed the Electronic Signatures in Global and National Commerce Act.

Next Action: The U.S. Department of Education is expected to provide guidance on the use of electronic signatures.

S. 1134, Affordable Education Act of 1999 (Roth, R-DEL)

This bill does the following:

- Increases the amount that a family is able to put into a tax-free education individual retirement savings account from \$500 to \$2,000;
- Allows for the use of savings accounts for elementary and secondary education expenses in addition to higher education expenses;
- Eliminates the 60-month limitation on student loan interest deductions.

The President has threatened to veto this legislation.

Last Action: Passed in the Senate by a vote of 61-37. Referred to House.

Next Action: No action is scheduled.

S. 1638/HR 2059, Student Aid for Families of Slain Police (Ashcroft, R-MO):

This bill would expand eligibility for federal funds to pay college tuition for the spouses and children of law enforcement officers killed in the line of duty. The bill would extend coverage to about 4,000 families of officers slain between 1978 and 1997. Current federal law covers federal officers killed after 1992, and state and local officers killed after 1997.

Last Action: The House Judiciary Committee passed this bill by voice vote on July 11, 2000. The Senate passed its bill by unanimous consent on May 15, 2000.

Next Action: No action is scheduled at this time.

S. 2159, Excellent Schools for All Our Children Act (Ashcroft, R-MO)

This bill would amend the Higher Education Act of 1965 (HEA) to provide achievement-based college scholarships to students in failing schools or failing school districts, and would provide various flexibility measures for school districts.

Last Action: Referred to the Senate Education Committee.

Next Action: No action is scheduled.

S. 2276/HR 4058, A Million Quality Teachers Act (Frist, R-TN, Burr, R- NC)

This bill would amend the Elementary and Secondary Education Act to establish programs to recruit, retain, and retrain teachers. The legislation would implement a loan forgiveness program to help repay federally subsidized or guaranteed loans on a graduated basis, so that the longer individuals teach, the greater the portion of their student loans that would be forgiven.

Last Action: Referred to Senate Committee on Health, Education Labor and Pensions; referred to House Committee on Education and the Workforce.

Next Action: No action is scheduled.

S. 2347/HR 4176, Teacher Training (Conrad, D-ND, Nadler, D-NY)

This bill would give \$5,000 bonuses to public school teachers to become certified to teach information technology (IT). Entitled the “IT 2000 Act,” the bill would also provide matching federal grants for partnerships between businesses and institutions of higher learning to establish technology training programs for minorities, women, older individuals, veterans, Native Americans, dislocated workers, and former participants in IT training programs who have not received IT certification.

Last Action: Referred to the Senate Education Committee and the House Committee on Education and the Workforce

Next Action: No action is scheduled.

S. 2348, High-Stakes Testing Ban (Wellstone, D-Minn.)

This would effectively ban states from using a single test to determine graduation, grade advancement, and other “high-stakes” decisions. Under the bill, tests or exams could be used as one of several factors in such decisions, but other measures, such as grades and teacher evaluations, would have to be considered as well.

Last Action: Introduced April 4, 2000.

Next Action: The author may introduce the bill as an amendment to S. 2 (the Educational Opportunities Act).

S. 2423, Loan Cancellation for Public Defenders (Durbin, D-ILL)

This bill would expand the existing Perkins Loan forgiveness program for law enforcement officers to include public defense attorneys who work full time.

Last Action: To Senate Committee on Health, Education, Labor and Pensions.

Next Action: No action is scheduled.

S. 2764/H.R. 4740, AmeriCorps Reauthorization

This bill would reauthorize the AmeriCorps national service program along with other national and community service programs. The bill would also authorize a National Service Trust scholarship program for high school juniors and seniors engaged in community service.

Last Action: The Senate Education Committee approved its bill on July 24, 2000. The House bill was introduced and referred to committee on June 23, 2000.

Next Action: No action is scheduled.

Fiscal 2001 AmeriCorps Appropriations

President Clinton has requested \$533 million to expand AmeriCorps, a \$73 million increase from FY 2000. AmeriCorps provides participants with a stipend and college tuition vouchers worth up to \$4,725 in exchange for working at a nonprofit organization for one year. Congressional leaders are again seeking to eliminate the program, which is contained in H.R. 4635, the independent agencies appropriations bill.

Last Action: This bill passed in the House, 256-169, on June 21, 2000, and was referred to the Senate.

Next Action: The Senate Appropriations Subcommittee on Veterans Affairs, Housing, and Urban Development will schedule a hearing to mark up the bill.

HR 7, Education Savings Accounts (Hulshof, R-MO, Lipinski, D-ILL)

This bill would raise the maximum contribution to tax-free education savings accounts to \$2,000, and expand the expenses toward which funds can be applied to include, among other things, school uniforms and after-school tutoring.

Last Action: The House considered the bill at the end of March, but the Republican leadership withdrew the bill temporarily to reconsider a bipartisan school construction plan that failed in committee.

Next Action: No action is scheduled.

HR 3983, Helping to Improve Technology Education and Achievement Act:

This bill would allow H-1B visa filing fees to be collected to provide about \$66 million annually to forgive Stafford student loans for science and math teachers in low-income schools, and about \$34 million next year for the Upward Bound Math and Science Program, which helps low-income, first-generation students attend college.

Last Action: Representatives David Dreier, R-Calif., and Zoe Lofgren, D-Calif., introduced the bill in March. It was rejected in the Judiciary Committee on May 17 in favor of a similar bill, HR 4227, which does not call for raising H-1B visa-filing fees and has no education component.

Next Action: Currently dormant, the bill could be considered again in the Rules Committee where supporters say they plan to attach the education measures. House officials say they would work out any differences between the bill and the recently introduced HR 4402 if the bill were referred to the House Floor.

HR 4079, Audit of the U.S. Department of Education

This bill would require the Comptroller General of the United States to conduct a comprehensive fraud audit of the Department of Education.

Last Action: Passed in the House on June 13, sent to the Senate.

Next Action: No action is scheduled at this time.

HR 4258, Student Loan Forgiveness Act (Kuykendall, R-CA)

This bill would pay off all federal education loans for teachers who remain in public schools for at least four years. Teachers without loan obligations would receive a permanent \$1,000 annual tax credit.

Last Action: On June 12, this bill was referred to the House Postsecondary Education, Training and Life-Long Learning panel.

Next Action: No action is scheduled.

HR 4268, Veterans and Dependents Millennium Education Act:

This bipartisan bill would increase current Montgomery GI Bill benefits for full-time students from \$536 to \$600 a month on October 1, 2000, and to \$720 on October 1, 2002. Proportionate increases would also be made for part-time students.

Last Action: On May 19, 2000, the House Veteran's Affairs Committee approved the bill. Reported as amended.

Next Action: No action is scheduled at this time.

HR 4402, Training and Education for American Workers Act:

This bill is similar to HR 3983, and would pave the way to direct an estimated \$63.3 million in increased H-1B visa filing fees to job training programs and student loan forgiveness for math, science and reading teachers.

Last Action: The House Committee on Education and the Workforce approved the bill on May 10, 2000.

Next Action: Committee staff expects the bill to reach the House floor soon.

HR 4406, Teacher Retention

This bill would authorize grants to states to encourage teacher retention through bonuses and other methods.

Last Action: Representative Ed Pastor, D-Ariz., introduced the bill May 9, 2000. It was referred to the House Committee on Education and the Workforce.

Next Action: No action is scheduled.

HR 4486, Scholarships for Future Teachers:

This bill would make scholarships available for secondary school graduates or “certified leaders” who demonstrate a commitment to and capacity for the teaching profession.

Last Action: Representative Heather Wilson, R-NM introduced the bill May 17. It was referred to the House Committee on Education and the Workforce.

Next Action: No action is scheduled.

HR 4504, Technical Amendments Bill (McKeon, R-CA)

This bill will make technical corrections to the 1998 reauthorization of the Higher Education Act, which was passed by Congress and signed into law October 1998.

Highlights of the bill include:

Section 482:

- Clarifies that a student convicted of a drug offense while enrolled and receiving financial aid is ineligible for financial aid during the time periods set forth in the statute.
- Clarifies that a student who fails to answer the drug question on the FAFSA is ineligible for aid until the question is answered.

Section 484B- Return of Title IV Funds:

- Provides that a student who is required to return grant funds can never be required to return more than 50 percent of the total grant funds received.
- Adds new provisions allowing a student who owes a grant to delay repayment for a period of six months after withdrawing from school and to delay repayment while enrolled at least half time.

- Establishes a minimum threshold rule so that a student would not be required to return any grant funds if the amount owed was \$50 or less.

Section 485:

- Provides that no new disclosure or reporting requirements shall go into effect until at least 180 days after final published regulations.
- Amends campus security provisions of the Higher Education Act to require colleges to disclose their policy regarding the availability of information about registered sexually violent offenders received by the state under "Meagan's Law," including a statement that colleges will disclose such information if the state provides it.

Last Action: June 12, passed in the House. Referred to the Senate.

Next Action: No action scheduled.

HR 4528, International Academic Opportunity Act of 2000 (Gilman, R-NY)

This bill would authorize the State Department to provide \$1.5 million in grants of up to \$5,000 each to college students who already receive federal need-based aid and have been accepted for a year of study by a university outside the United States.

Last Action: The House passed the bill on July 11 by a voice vote. It was referred to the Senate Education Committee.

Next Action: No action is scheduled.

HR 4956, Loan Forgiveness for Teachers in Low-Income Areas (Payne, D-NJ)

This bill would increase the amount of student loans that may be forgiven, from \$5,000 to \$12,800, for service as a teacher in a school that has a high concentration of low-income students.

Last Action: The bill was introduced on July 25, 2000, and was referred to the House Committee on Education and the Workforce.

Next Action: No action is scheduled.

Commission staff would like to acknowledge the assistance of staff from the California Student Aid Commission in preparing the information contained in this attachment.
